



*Serving the needs of
sexual abuse
survivors and their
loved ones, and
providing prevention
education programs
since 1973.*

■ ■ ■ ■ ■

*Sirviendo a las
necesidades de los
sobrevientes de
abuso sexual y sus
seres queridos, y
proporcionando
programas
educativos para
su prevención
desde 1973.*

■ ■ ■ ■ ■

Monterey Office

P.O. Box 2630
Monterey, CA 93942
T: (831) 373-3955
F: (831) 373-3389

Salinas Office

P.O. Box 2401
Salinas, CA 93902
T: (831) 771-0411
F: (831) 771-0105

24 Hour Crisis Lines:

(831) 375-HELP
(831) 424-HELP

TTY/TDD Line:

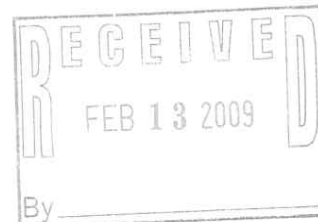
(831) 373-7546
mcrcc@mbay.net

www.mtryrapecrisis.org



February 5, 2009

California Emergency Management Agency
Attn: Audit Branch
3650 Schriever Ave.
Mather, CA 95655



Dear Sir/Ma'am,

Enclosed please find a copy of our annual audit for the year ending June 30, 2008 in connection with the following OES Grants:

RC07271013
RC07011013
SA06091013

I apologize for the delay in getting it to you.

Sincerely,

A handwritten signature in cursive script that reads "Clare Mounteer".

Clare Mounteer
Executive Director

04-11

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2008

**MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)**

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BIANCHI, KASAVAN & POPE, LLP

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

Robert W. Bianchi, CPA
Gail A. Delorey, CPA
Charles D. Doglione, CPA
Joseph A. Garcia, CRTP
Mary Hubbell, CRTP
Carla S. Hudson, CPA, ABV
David G. Huey, CPA
Jesse Lopez, CPA
Kris Nolan, CPA
Gordon A. Rubbo, CPA
Michael J. Willett, CPA

Board of Directors
Monterey County Rape Crisis Center
Monterey, California

We have audited the accompanying statement of financial position of Monterey County Rape Crisis Center (a nonprofit corporation) as of June 30, 2008 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Monterey County Rape Crisis Center as of June 30, 2008 and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2008, on our consideration of Monterey County Rape Crisis Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Revenue and Expenditures – Office of Emergency Services is presented for purposes of additional analysis as required by the State of California's Office of Emergency Services and is not a required part of the basic financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Blanchi, Kasavan & Pepe, LLP

Salinas, California
December 10, 2008

FINANCIAL STATEMENTS

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Organization)

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2008

ASSETS

CURRENT ASSETS

| | |
|-------------------------------|---------------|
| Cash - Note 2 | \$ 296,188 |
| Grants receivable - Note 3 | 129,687 |
| Prepaid expenses and deposits | <u>18,534</u> |

TOTAL CURRENT ASSETS 444,409

LONG-TERM INVESTMENTS - at market value - Note 4 11,515

PROPERTY AND EQUIPMENT - net - Note 5 29,662

TOTAL ASSETS \$ 485,586

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|------------------|--------------|
| Accounts payable | \$ 3,590 |
| Accrued vacation | 12,917 |
| Deferred revenue | <u>1,000</u> |

TOTAL CURRENT LIABILITIES 17,507

COMMITMENTS AND CONTINGENCIES - Note 6

NET ASSETS

| | |
|---------------------------------|---------------|
| Unrestricted | |
| Board designated - Note 7 | 42,731 |
| Undesignated | 394,404 |
| Temporarily Restricted - Note 8 | <u>30,944</u> |

TOTAL NET ASSETS 468,079

TOTAL LIABILITIES AND NET ASSETS \$ 485,586

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Organization)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2008

| | <u>UNRESTRICTED</u> | <u>TEMPORARILY RESTRICTED</u> | <u>TOTAL</u> |
|---------------------------------------|---------------------|-----------------------------------|-------------------|
| SUPPORT AND REVENUE | | | |
| Contributions | \$ 80,083 | \$ 10,205 | \$ 90,288 |
| Contributions - in kind | 80,706 | - | 80,706 |
| Fund-raising | 28,784 | - | 28,784 |
| United Way allocation | 28,000 | - | 28,000 |
| Government grants - Note 9 | 531,466 | - | 531,466 |
| Other grants | 114,761 | 20,739 | 135,500 |
| Service fees | 24,376 | - | 24,376 |
| Interest income | 11,700 | - | 11,700 |
| Net assets released from restrictions | 105,000 | (105,000) | - |
| | <u>1,004,876</u> | <u>(74,056)</u> | <u>930,820</u> |
| TOTAL SUPPORT AND REVENUE | <u>1,004,876</u> | <u>(74,056)</u> | <u>930,820</u> |
| EXPENSES | | | |
| Program Services | | | |
| Sexual Assault Victim Services | 580,440 | - | 580,440 |
| Child Abuse Prevention | 80,790 | - | 80,790 |
| Prevention Education | 132,375 | - | 132,375 |
| Total Program Services | <u>793,605</u> | <u>-</u> | <u>793,605</u> |
| Support Services | | | |
| Management and general | 93,376 | - | 93,376 |
| Fund-raising | 15,177 | - | 15,177 |
| Total Support Services | <u>108,553</u> | <u>-</u> | <u>108,553</u> |
| TOTAL EXPENSES | <u>902,158</u> | <u>-</u> | <u>902,158</u> |
| INCREASE IN NET ASSETS | 102,718 | (74,056) | 28,662 |
| NET ASSETS, BEGINNING OF YEAR | <u>334,417</u> | <u>105,000</u> | <u>439,417</u> |
| NET ASSETS, END OF YEAR | <u>\$ 437,135</u> | <u>\$ 30,944</u> | <u>\$ 468,079</u> |

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Organization)

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2008

| | PROGRAM SERVICES | | | | SUPPORT SERVICES | | | |
|--|---|------------------------------|-------------------------|------------------------------|--------------------------------|------------------|------------------------------|--------------------------|
| | Sexual Assault Victim Services | Child Abuse Prevention | Prevention Education | Total Program Services | Manage- ment and General | Fund- raising | Total Support Services | Total All Services |
| SALARIES AND RELATED EXPENSES | | | | | | | | |
| Salaries | \$ 206,025 | \$ 60,300 | \$ 82,073 | \$ 348,398 | \$ 48,201 | \$ 9,310 | \$ 57,511 | \$ 405,909 |
| Salaries - in kind | 80,706 | - | - | 80,706 | - | - | - | 80,706 |
| Employee benefits | 16,894 | 4,944 | 6,980 | 28,818 | 3,882 | 761 | 4,643 | 33,461 |
| Payroll taxes | 14,722 | 4,421 | 5,845 | 24,988 | 3,414 | 702 | 4,116 | 29,104 |
| TOTAL SALARIES AND RELATED EXPENSES | 318,347 | 69,665 | 94,898 | 482,910 | 55,497 | 10,773 | 66,270 | 549,180 |
| OTHER EXPENSES BEFORE DEPRECIATION | | | | | | | | |
| Therapists | 37,378 | - | - | 37,378 | - | - | - | 37,378 |
| Consultants | - | - | - | - | 8,547 | - | 8,547 | 8,547 |
| Rent - Note 6 | 21,923 | 3,500 | 9,131 | 34,554 | 3,502 | 1,265 | 4,767 | 39,321 |
| Insurance | 2,400 | 950 | 1,400 | 4,750 | 1,000 | 559 | 1,559 | 6,309 |
| Telephone | 9,520 | 700 | 3,220 | 13,440 | 3,200 | 620 | 3,820 | 17,260 |
| Printing and advertising | 32,000 | 1,250 | 5,500 | 38,750 | 755 | 600 | 1,355 | 40,105 |
| Postage and shipping | 880 | 350 | 300 | 1,530 | 298 | 75 | 373 | 1,903 |
| Equipment rental and maintenance | - | - | - | - | 2,584 | - | 2,584 | 2,584 |
| Utilities | 5,100 | 500 | 1,401 | 7,001 | 656 | 350 | 1,006 | 8,007 |
| Audit and accounting | 2,500 | 1,100 | 2,300 | 5,900 | 6,211 | 585 | 6,796 | 12,696 |
| Supplies | 9,293 | 1,125 | 5,525 | 15,943 | 2,640 | 350 | 2,990 | 18,933 |
| Conferences | 2,878 | 550 | 450 | 3,878 | 250 | - | 250 | 4,128 |
| Travel and meals | 4,800 | 1,100 | 6,650 | 12,550 | 1,485 | - | 1,485 | 14,035 |
| Dues | 400 | - | 100 | 500 | 283 | - | 283 | 783 |
| Male Surv PSA/Doc | 129,921 | - | - | 129,921 | - | - | - | 129,921 |
| Unrealized loss on investments | - | - | - | - | 633 | - | 633 | 633 |
| Miscellaneous | - | - | - | - | 3,277 | - | 3,277 | 3,277 |
| TOTAL EXPENSES BEFORE DEPRECIATION | 577,340 | 80,790 | 130,875 | 789,005 | 90,818 | 15,177 | 105,995 | 895,000 |
| DEPRECIATION | 3,100 | - | 1,500 | 4,600 | 2,558 | - | 2,558 | 7,158 |
| TOTAL EXPENSES | \$ 580,440 | \$ 80,790 | \$ 132,375 | \$ 793,605 | \$ 93,376 | \$ 15,177 | \$ 108,553 | \$ 902,158 |

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Organization)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|------------------------|-----------|
| Increase in net assets | \$ 28,662 |
|------------------------|-----------|

**Adjustments to reconcile increase in net assets to net cash
used in operating activities:**

| | |
|--------------|-------|
| Depreciation | 7,158 |
|--------------|-------|

| | |
|--------------------------------|-----|
| Unrealized loss on investments | 633 |
|--------------------------------|-----|

(Increase) decrease in:

| | |
|---------------------|-------|
| Accounts receivable | 1,830 |
|---------------------|-------|

| | |
|-------------------|----------|
| Grants receivable | (76,934) |
|-------------------|----------|

| | |
|-------------------------------|---------|
| Prepaid expenses and deposits | (5,396) |
|-------------------------------|---------|

Increase (decrease) in:

| | |
|------------------|---------|
| Accounts payable | (6,279) |
|------------------|---------|

| | |
|------------------|-------|
| Accrued vacation | 4,911 |
|------------------|-------|

(74,077)

| | |
|---------------------------------------|-----------------|
| Net cash used in operating activities | <u>(45,415)</u> |
|---------------------------------------|-----------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|-----------------|
| Cash payments for the purchase of equipment | <u>(22,531)</u> |
|---|-----------------|

| | |
|----------------------|----------|
| NET INCREASE IN CASH | (67,946) |
|----------------------|----------|

| | |
|-------------------------|----------------|
| CASH, BEGINNING OF YEAR | <u>364,134</u> |
|-------------------------|----------------|

| | |
|-------------------|--------------------------|
| CASH, END OF YEAR | <u><u>\$ 296,188</u></u> |
|-------------------|--------------------------|

The accompanying notes are an integral part of these financial statements.

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Monterey County Rape Crisis Center (the Center) is a nonprofit center committed to helping victims of sexual assault and preventing child abuse and sexual assault through community education and safety awareness. The Center offers victims of assault support through crisis intervention, counseling and support groups, and provides a comprehensive community education program designed to create awareness, to teach personal safety techniques and to provide information on services available to survivors of sexual assault. This community education includes working with police, medical and military personnel to assure sensitivity to victims and to develop effective working relationships with other professionals. The Center also operates a personal safety and abuse prevention program for school-age children, teaching skills to prevent any type of abuse and provides presentations to educators and parents.

Basis of Accounting

The Center follows standards of accounting and financial reporting for voluntary health and welfare agencies as described in the American Institute of Certified Public Accountants *Audit and Accounting Guide for Not-for-Profit Organizations*. Accordingly, the financial statements are prepared on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Center had no permanently restricted net assets at June 30, 2008.

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Accounts and Grants Receivable

No provision for doubtful accounts has been made since all receivables are considered collectible at June 30, 2008.

Concentration of Risk

The Center currently received approximately 47% of its support and revenue from the Office of Emergency Services (OES) of the State of California. Although management believes that support from this source will continue, the loss of funding could have an adverse effect on the financial condition of the Center.

Property and Equipment

The Center records its property and equipment at cost and depreciates these assets using the straight-line basis over the useful lives of the assets, which is estimated at five years.

Maintenance and minor repairs are charged against income; major renewals and betterments are capitalized and depreciated.

Functional Expenses

Functional expenses have been charged to program services and support services based on direct expenditures incurred, or allocated based on an analysis of personnel time and space utilized for the related activity. Depreciation expense is allocated based on the ratio of each program or service area's total expenses to the total of all Center expenses, excluding depreciation.

Income Taxes

The Center is a California nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and is classified as an entity other than a private foundation. However, certain types of income are considered unrelated business taxable income which is taxed at regular corporate income tax rates. The Center had no unrelated business taxable income in the year ended June 30, 2008.

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Contributed Services

The Center does not recognize any support, revenue or expense for services contributed by volunteers unless the donated services create or enhance nonfinancial assets or require a specialized skill which the Center would otherwise need to purchase. Certain volunteer services are applied as an in-kind match for a government grant. The Center's rape crisis hotline is staffed primarily by volunteers who have been trained in handling such calls.

Accrued Vacation Pay

Vacation pay is accrued when employees have a vested right to receive compensation for future absences and this compensation is attributable to services already rendered.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

2. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Center considers all highly liquid debt instruments purchased with an original maturity of one month or less to be cash equivalents.

3. SUMMARY OF GRANTS RECEIVABLE

| <u>Funding Source</u> | |
|-------------------------------|-------------------|
| Office of Emergency Services | \$ 95,921 |
| Department of Health Services | 33,766 |
| | <u>\$ 129,687</u> |

The grants receivable are included as recognized support which is detailed in Note 9.

MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

4. LONG-TERM INVESTMENTS

A mutual fund account with a fair market value of \$11,515 at June 30, 2008, is included as long-term investments in the accompanying financial statements.

5. PROPERTY AND EQUIPMENT

The details of property and equipment at June 30, 2008, are as follows:

| | |
|-------------------------------|------------------|
| Furniture and equipment | \$ 54,212 |
| Educational videos | <u>889</u> |
| | 55,101 |
| Less accumulated depreciation | <u>(25,439)</u> |
| | <u>\$ 29,662</u> |

6. OPERATING LEASE – FACILITY

As of March 1, 2006, the Center entered into a three-year operating lease for its Monterey office facility requiring rent of \$27,900 annually. As of November 1, 2007, the Center entered into a three-year operating lease for its Salinas office facility requiring rent of \$15,228 annually. Rent expense was \$39,321 for the year ended June 30, 2008. Minimum annual rentals are as follows:

| <u>Year ended June 30</u> | <u>Amount</u> |
|---------------------------|------------------|
| 2009 | \$ 33,828 |
| 2010 | 15,228 |
| 2011 | <u>3,807</u> |
| Total | <u>\$ 52,863</u> |

7. BOARD DESIGNATED NET ASSETS

The Board of Directors has designated portions of the net assets as a contingency reserve and an employee sick leave reserve. The amount of these reserves total \$37,731 and \$5,000, respectively, at June 30, 2008.

**MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)**

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are the portion of net assets for which use by Monterey County Rape Crisis Center is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Center. The total amount of temporarily restricted assets at June 30, 2008 is \$30,944 of which \$10,205 is restricted for the development of a documentary about male sexual abuse and \$20,739 is restricted for the expansion of the Center's services into Salinas.

9. SUMMARY OF GOVERNMENTAL GRANTS AND CONTRACT FUNDING

| <u>Funding Source</u> | <u>Grant/Contract Period</u> | <u>Total Grant/Contract</u> | <u>Current Year Recognized Support</u> |
|---|----------------------------------|---------------------------------|--|
| OES—Sexual Assault Victim Services & Prevention Educational Program | | | |
| Monterey | 07/01/07-06/30/08 | \$ 224,439 | \$ 193,969 |
| Salinas | 07/01/07-06/30/08 | 293,637 | 235,602 |
| OES—Monterey County SART Advocate Program | 10/01/06–09/30/07 | 50,700 | 6,389 |
| DHHS California Dept. of Health Services | 07/01/07-10/30/09 | 284,690 | 95,506 |
| Total Governmental Grants and Contracts | | | <u>\$ 531,466</u> |

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***



BIANCHI, KASAVAN & POPE, LLP
Certified Public Accountants & Business Consultants

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of Monterey County Rape Crisis Center as of and for the year ended June 30, 2008 and have issued our report thereon dated December 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Center's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Center's financial statements that is more than inconsequential will not be prevented or detected by the Center's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Center's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, and the State of California's Office of Emergency Service and is not intended to be and should not be used by anyone other than these specified parties.

Beauchamp, Kesavan & Pope, LLP

Salinas, California
December 10, 2008

SUPPLEMENTARY INFORMATION

**MONTEREY COUNTY RAPE CRISIS CENTER
(A Nonprofit Corporation)**

**SCHEDULE OF REVENUE AND EXPENDITURES
OFFICE OF EMERGENCY SERVICES**

JUNE 30, 2008

| | Contract # 1 Grant Award #RC07271013 | Contract # 2 Grant Award #RC07011013 | Contract # 3 Grant Award #SA06091013 |
|-----------------------|---|---|---|
| GRANT PERIOD * | 07/01/07-06/30/08 | 07/01/07-06/30/08 | 10/01/06-09/30/07 |
| REVENUE | \$ 193,969 | \$ 235,602 | \$ 6,389 |
| EXPENDITURES | | | |
| Personal services | \$ 161,114 | \$ 140,255 | \$ 5,474 |
| Operating expenses | 32,855 | 80,016 | 915 |
| Equipment | - | 15,331 | - |
| | <u>\$ 193,969</u> | <u>\$ 235,602</u> | <u>\$ 6,389</u> |

*For the portion of the grant period applicable to the fiscal year ended June 30, 2008.

1. Contract #RC07271013

The initial twelve months of the grant are reported in the fiscal year under audit. In accordance with terms of the OES grant, the Center met the federal in-kind match requirement.

2. Contract #RC07011013

The initial twelve months of the grant are reported in the fiscal year under audit. In accordance with terms of the OES grant, the Center met the federal in-kind match requirement.

2. Contract #SA06091013

The final three months of the grant are reported in the fiscal year under audit. In accordance with terms of the OES grant, the Center did not have to meet any federal in-kind match requirement.

The accompanying notes are an integral part of this supplementary information.



BIANCHI, KASAVAN & POPE, LLP

Certified Public Accountants & Business Consultants

Robert W. Bianchi, CPA
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Kris Nolan, CPA
Gordon A. Rubbo, CPA
Michael J. Willett, CPA

December 22, 2008

To the Board of Directors
Monterey County Rape Crisis Center
Monterey, California

We have audited the financial statements of Monterey County Rape Crisis Center (Center) for the year ended June 30, 2008, and have issued our report thereon dated December 10, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of Monterey County Rape Crisis Center. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Monterey County Rape Crisis Center's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their applications. The significant accounting policies used by Monterey County Rape Crisis Center are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007-2008. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Center that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. The proposed audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the Center's financial reporting process are attached as Exhibit (1). The Center has recorded the proposed adjusting entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Board of Directors and management of Monterey County Rape Crisis Center and should not be used for any other purpose.

Sincerely,

Bianchi, Kasavan & Pore, LLP

Salinas, California

Client: **MONTEREY RAPE CRISIS CENTER**
Engagement: **MONTEREY COUNTY RAPE CRISIS CENTER**
Period Ending: **6/30/2008**
Workpaper: **Exhibit 1**

EXHIBIT 1

| Account | Description | Debit | Credit |
|--|--------------------------------|-------------------|-------------------|
| Adjusting Journal Entries JE # 1 | | | |
| To adjust net assets to actual per prior year audit report | | | |
| 1215 | SART Grant Receivable | 129.00 | |
| 2000 | Payroll clearing | 146.04 | |
| 4060 | Unrestricted Net Assets | 110,078.00 | |
| 1011 | First National Bank - Checking | | 356.64 |
| 3000 | Opening Bal Equity | | 408.52 |
| 3100 | Accounts Payable | | 4,589.25 |
| 4080 | TEMPORARILY RESTRICTED | | 104,998.63 |
| Total | | 110,353.04 | 110,353.04 |

Adjusting Journal Entries JE # 2

To clear SART receivable and WCC contract expense.

| | | | |
|--------------|-----------------------|---------------|---------------|
| 5475 | SART Grant | 129.00 | |
| 1215 | SART Grant Receivable | | 129.00 |
| Total | | 129.00 | 129.00 |

Adjusting Journal Entries JE # 3

To reverse AR @ 6/30/07

| | | | |
|--------------|-------------------------------|-----------------|-----------------|
| 5600 | Counseling Fees - Individuals | 1,830.00 | |
| 1200 | Accounts Receivable | | 1,830.00 |
| Total | | 1,830.00 | 1,830.00 |

Client: **MONTEREY RAPE CRISIS CENTER**
Engagement: **MONTEREY COUNTY RAPE CRISIS CENTER**
Period Ending: **6/30/2008**
Workpaper: **Exhibit 1**

EXHIBIT 1

| Account | Description | Debit | Credit |
|---|------------------|-----------------|-----------------|
| Adjusting Journal Entries JE # 4 | | | |
| To reverse prepaid expenses @ 6/30/07 | | | |
| 7140 | Health Insurance | 2,827.45 | |
| 7210 | Rent | 2,325.00 | |
| 1312 | Prepaid Expenses | | 5,152.45 |
| Total | | 5,152.45 | 5,152.45 |

Adjusting Journal Entries JE # 5
To record prepaid expenses @ 6/30/08

| | | | |
|--------------|------------------|-----------------|-----------------|
| 1312 | Prepaid Expenses | 6,949.40 | |
| 7140 | Health Insurance | | 3,355.40 |
| 7210 | Rent | | 3,594.00 |
| Total | | 6,949.40 | 6,949.40 |

Adjusting Journal Entries JE # 6
To reverse prepaid insurance @ 6/30/07

| | | | |
|--------------|-----------------------------|-----------------|-----------------|
| 7130 | Workers Comp Insurance | 2,842.00 | |
| 7220 | Building & Equip. Insurance | 131.81 | |
| 7220 | Building & Equip. Insurance | 1,962.90 | |
| 7956 | D & O/Bond Insurance | 64.90 | |
| 7956 | D & O/Bond Insurance | 509.18 | |
| 1310 | Prepaid Insurance | | 5,510.79 |
| Total | | 5,510.79 | 5,510.79 |

Client: **MONTEREY RAPE CRISIS CENTER**
Engagement: **MONTEREY COUNTY RAPE CRISIS CENTER**
Period Ending: **6/30/2008**
Workpaper: **Exhibit 1**

EXHIBIT 1

| Account | Description | Debit | Credit |
|---|-----------------------------|-----------------|-----------------|
| Adjusting Journal Entries JE # 7 | | | |
| To record prepaid insurance @ 6/30/08 | | | |
| 1310 | Prepaid Insurance | 9,109.62 | |
| 7130 | Workers Comp Insurance | | 4,375.00 |
| 7220 | Building & Equip. Insurance | | 4,150.45 |
| 7956 | D & O/Bond Insurance | | 74.99 |
| 7956 | D & O/Bond Insurance | | 509.18 |
| Total | | 9,109.62 | 9,109.62 |

| | | | |
|---|-----------------------|-----------------|-----------------|
| Adjusting Journal Entries JE # 8 | | | |
| To reverse AP @ 6/30/07 | | | |
| 3100 | Accounts Payable | 4,589.25 | |
| 7620 | Conference/Food Costs | | 118.44 |
| 8101 | WCC Sart Subcontract | | 4,470.81 |
| Total | | 4,589.25 | 4,589.25 |

| | | | |
|--|-----------------------|-----------------|-----------------|
| Adjusting Journal Entries JE # 9 | | | |
| To record bills not recorded for which bill payments were made | | | |
| 7140 | Health Insurance | 3,520.00 | |
| 7230 | Utilities/Maintenance | 26.00 | |
| 7260 | Telephone | 44.57 | |
| 3100 | Accounts Payable | | 3,590.57 |
| Total | | 3,590.57 | 3,590.57 |

Client: **MONTEREY RAPE CRISIS CENTER**
Engagement: **MONTEREY COUNTY RAPE CRISIS CENTER**
Period Ending: **6/30/2008**
Workpaper: **Exhibit 1**

EXHIBIT 1

| Account | Description | Debit | Credit |
|--|-------------------------|------------------|------------------|
| Adjusting Journal Entries JE # 10 | | | |
| To reclass debit balances in liability accounts, dealing with payroll, to appropriate payroll expense accounts and reclass amounts between salaries and payroll taxes per 941's. | | | |
| 7110 | Salaried Employees | 8,907.61 | |
| 7110 | Salaried Employees | 24,664.53 | |
| 2000 | Payroll clearing | | 1,292.07 |
| 2100 | Payroll Liabilities | | 2,011.54 |
| 3315 | 403B Plan Contributions | | 5,604.00 |
| 7120 | Payroll Taxes | | 24,664.53 |
| Total | | 33,572.14 | 33,572.14 |

Adjusting Journal Entries JE # 11

To adjust rent to actual

| | | | |
|--------------|-----------------------|---------------|---------------|
| 7230 | Utilities/Maintenance | 126.19 | |
| 7210 | Rent | | 126.19 |
| Total | | 126.19 | 126.19 |

Adjusting Journal Entries JE # 12

To record in-kind contributions

| | | | |
|--------------|-----------------------|------------------|------------------|
| 7117 | Salaries - In Kind | 80,706.08 | |
| 5140 | IN KIND CONTRIBUTIONS | | 80,706.08 |
| Total | | 80,706.08 | 80,706.08 |

Adjusting Journal Entries JE # 13

To adjust vacation accrual to actual @ 6/30/08

| | | | |
|--------------|--------------------|-----------------|-----------------|
| 7110 | Salaried Employees | 4,910.92 | |
| 3320 | Accrued Vacation | | 4,910.92 |
| Total | | 4,910.92 | 4,910.92 |

Client: **MONTEREY RAPE CRISIS CENTER**
Engagement: **MONTEREY COUNTY RAPE CRISIS CENTER**
Period Ending: **6/30/2008**
Workpaper: **Exhibit 1**

EXHIBIT 1

| Account | Description | Debit | Credit |
|---|---------------------------|------------------|------------------|
| Adjusting Journal Entries JE # 14 | | | |
| To move 07-08 donation received to proper revenue acct. | | | |
| 4080 | TEMPORARILY RESTRICTED | 10,000.00 | |
| 5134 | Male Survivor Doc. Income | | 10,000.00 |
| Total | | 10,000.00 | 10,000.00 |

Adjusting Journal Entries JE # 15

To book AP @ 6/30/08 per Clare

| | | | |
|--------------|---------------------|-----------------|-----------------|
| 5265.5 | Less - Cost of Race | 3,590.39 | |
| 3100 | Accounts Payable | | 3,590.39 |
| Total | | 3,590.39 | 3,590.39 |

Adjusting Journal Entries JE # 16

To reclass capitalizable assets.

| | | | |
|--------------|--------------------|------------------|------------------|
| 2120 | Office Equipment | 22,531.07 | |
| 7430 | Equipment Purchase | | 17,766.75 |
| 7441 | Office furniture | | 4,764.32 |
| Total | | 22,531.07 | 22,531.07 |

Adjusting Journal Entries JE # 17

To record disposal of equipment

| | | | |
|--------------|--------------------------------|-----------------|-----------------|
| 2125 | Accum. Deprec. - Office Equip. | 6,682.00 | |
| 2120 | Office Equipment | | 6,682.00 |
| Total | | 6,682.00 | 6,682.00 |

Adjusting Journal Entries JE # 18

To record depreciatiton @ 6/30/08

| | | | |
|--------------|--------------------------------|-----------------|-----------------|
| 8000 | DEPRECIATION EXPENSE | 7,158.35 | |
| 2125 | Accum. Deprec. - Office Equip. | | 7,106.64 |
| 2135 | Accum. Deprec. - Films | | 51.71 |
| Total | | 7,158.35 | 7,158.35 |